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TAGS: [PGOV](#) [PREL](#) [ENRG](#) [AJ](#) [TU](#)
SUBJECT: AZERBAIJAN SEEKS TO DELIVER MAXIMUM GAS TO TURKEY;
SOME TECHNICAL PROBLEMS ON BOTH SIDES

REF: ANKARA 200

Classified By: Ambassador Anne E.Derse, (Reasons 1.4 b,d)

1.(C) On February 5 EnergyOff spoke with a Baku-based BP executive involved in gas marketing to Turkey. He said that the contractual maximum of Azerbaijani (i.e. Shah Deniz Phase One) gas that Botas can take is 14.4 million cubic meters a day (mcm/d), which after contractually stipulated 'gross calorific value adjustment' becomes 13.6mcm/d.

2.(C) He said that due to technical difficulties, delivery of this daily amount of 13.6 mcm/d is not always possible, although Azerbaijan seeks to deliver the maximum. Sometimes the technical problems are on the Azerbaijani side, sometimes on the Turkish (Botas) side. On average, Azerbaijan has been delivering an average of approximately 12.5 mcm/d of the contractually stipulated 13.6 mcm/d. He said that gas delivery is largely an "all or nothing affair," in that on any given day either the full amount will be delivered or almost none. For example, he said that on February 4 the full 13.6 mcm/d was delivered to Botas.

13. (C) He expressed no surprise that Turkey might have trouble meeting its gas commitments to Greece, given that it had lost approximately one-third of its supply (i.e. Iranian gas). He said that Turkey had been quite active in the LNG markets recently, in order to help meet their gas shortfall.

14. (C) On February 5 in a conversation with EnergyOff, a Baku-based Statoil Hydro executive involved in gas marketing to Turkey confirmed that Azerbaijan has been "delivering steadily to Turkey all through the recent months." He also pointed out that due to the fact that Shah Deniz gas is richer in energy than the model used in the contracts with Botas, delivering a smaller amount of gas than the maximum stipulated in the contract is the accepted norm.

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